THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The extent of appreciation of depreciation of the rupee *vis-a-vis* major currencies varies according to the time horizons as reference period (Table below)

(in per cent)

Currency	Jan. 2008 over Jan. 2007 (monthly average)	Jan. 31, 2008 over April 03, 2007 (point-to-point)
US dollar	12.6	9.5
U.K. Pound	12.0	8.9
Japanese Yen	1.2	(-)1.5
Euro	(-)0.4	(-)1.9

(-) indicates depreciation
Source RBI

(b) and (c) The exchange rate of the rupee depends on the demand and supply forces in the foreign exchange market. The exchange rate policy is guided by the broad principles of careful monitoring and management of exchange rates with flexibility, without a fixed or a pre-announced target or a band, coupled with the ability to intervenue as and when necessary. Excess volatility in foreign exchange markets is contained through intervention as and when necessary and followed up by sterlisation of liquidity through issuance of treasury bills/ dated securities under the Market Stabilization Schemes.

As capital flows in excess of the current account deficit poses challenges to monetary management, the Budget 2008-09 mentions. "The solution lies in increasing the absorptive capacity of the economy in the medium term. In the short term, it is our responsibility to manage the flows more actively, Government will, the consultation with RBI, continue to monitor the situation closely and take such temporary measures as may be necessary to moderate the capital flows consistent with the objective of monetary and financial stability".

Losses from sub-prime mortgages

538. SHRI RAJEEV CHANDRASEKHAR: Will the Minister of FINANCE be pleased to state:

(a) whether Government is aware that significant losses have been suffered by large financial institutions especially from sub-prime mortgages in the United States of America (USA) and further that slowdown of USA's economy is causing losses in financial mobilization for retail loan/mortgages;

(b) if so, what is the data Government has on the total exposure of the domestic financial sector to retail assets, including home mortgages, consumer loans, credit card debt; and

(c) what assurance could Government give to ensure that there is adequate systemic oversight on this issue?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) So far, no specific instance of significant losses suffered by large financial institutions in India especially from sub-prime mortgages in the USA has been noticed. Some slow down observed in the overall credit growth and in the retail segment has been largely due to various policy measures and higher interest rates.

(b) The retail loan portfolio of the banks comprises housing loans, consumer durables, credit card receivables, auto loans and other personal loans. Details of amount outstanding in the retail portfolio of the banks, as at the end of March, 2007 and December, 2007, are as under:—

(Rs. in crore)

Sl.No.	Retail loan portfolio	As at 31st March, 2007	As at 31st December, 2007
1.	Housing Loans	2,24,481	2,46,848
2.	Loans for Consumer Durables	7,296	5,766
3.	Credit Card Receivables	18,317	25,659
4.	Auto Loans	82,562	88,140
5.	Other Personal Loans	1,55,204	1,88,468
	Total-Retail Loans	4,87,860	5,54,881

(c) National Housing Bank (NHB) regulates the housing finance companies in the country. Systemic oversight for housing finance companies (HFCs) is provided for in terms of the statutory provisions of the National Housing Bank Act, 1987 and the Housing Finance Companies Directions, 2000 issued under the Act. These, *inter alia,* cover entry level regulation, measures to ensure financial health and risk, mitigation through prudential norms for capital adequacy, asset classification, income recognition, provisioning, limit for exposure and credit concentration, etc. Reserve Bank of India (RBI) also has an elaborate systemic oversight mechanism for the banks operating in India and Indian banks abroad. Further, there is a mechanism for supervision through onsite inspections, off-site monitoring through periodic financial returns, etc. by NHB and RBI to effectively monitor the functioning/financial position of the entities regulated by them, on an ongoing basis.

Refunding of export taxes

539. SHRIMATI SUPRIYA SULE: Will the Minister of FINANCE be pleased to state:

(a) whether Centre has asked the State Governments to help rupee-hit exporters by refunding their taxes as it has already given three packages to the sector involving around Rs. 5,200 crore;

(b) if so, whether at present, the number of taxes, including Value Added Tax (VAT), octroi, electricity duty are borne by exporters;

(c) whether he has stated that any State which relieves exporters of tax burden tends to gain, as more exporters oriented industry would locate there;

(d) if so, the reaction of the State Governments thereto; and

(e) how many States have so far refunded the export taxes?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (e) Information is being collected and will be laid on the Table of the House.